

# AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

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# AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

## Section 1: Entity overview and resources

### 1.1 STRATEGIC DIRECTION STATEMENT

The Australian Fisheries Management Authority (AFMA) was established under the *Fisheries Administration Act 1991* (FAA) to manage Australia's Commonwealth fisheries on behalf of the Australian community in accordance with the *Fisheries Management Act 1991* (FMA).

The AFMA Commission is responsible for exercising AFMA's domestic fisheries management functions and powers under the FAA and FMA. The Chief Executive Officer (CEO) of AFMA is responsible for assisting the Commission, including giving effect to its decisions and is also a Commissioner. The CEO is also responsible for exercising AFMA's foreign compliance functions, is the accountable authority under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the agency head for the purposes of the *Public Service Act 1999*.

AFMA's legislated functions and objectives require the pursuit of efficient and cost effective fisheries management consistent with the principles of ecologically sustainable development, including the precautionary principle, and maximising the net economic returns to the Australian community from the management of Commonwealth fisheries. AFMA is to have regard to the impact of fishing on non-target species and on the long-term sustainability of the marine environment as well as taking into account the interests of commercial, recreational and Indigenous fishers in the management of Commonwealth fisheries.

AFMA delivers fisheries management arrangements, compliance programs, licensing services and develops operational policies and regulations. AFMA uses information gained from scientific research and its own monitoring activities to identify Australian marine living resources potentially affected by Commonwealth fisheries and implements measures to pursue sustainable fishing.

AFMA's role includes fisheries compliance and enforcement, education and training and vessel disposal activities. These activities protect Commonwealth and state-managed fisheries from illegal fishing and contribute to managing wider border security issues. AFMA participates in the Australian Government's civil maritime surveillance and response program and capacity building activities providing advice and training in neighbouring countries.

## *AFMA Budget Statements*

AFMA also provides fisheries management services for the Protected Zone Joint Authority (PZJA) under the *Torres Strait Fisheries Act 1984* (TSFA). Decisions under this legislation are made by the PZJA which comprises the Commonwealth as Chair and the Torres Strait Regional Authority and the Queensland Government as other members. The key objectives of the TSFA are to acknowledge and protect the traditional way of life and livelihood of traditional inhabitants, including their rights in relation to traditional fishing and to protect and preserve the marine environment and fauna and flora in and in the vicinity of the Protected Zone.

When developing and implementing fisheries management arrangements, AFMA works in partnership with the public and key stakeholders, including commercial fishing operators, the prescribed peak industry body, sectoral industry associations, Indigenous communities, recreational and charter fishing representatives, researchers, environment/conservation organisations and others with an interest in Commonwealth fisheries management. AFMA engages with stakeholder groups through management advisory committees, resource assessment groups, scientific panels, working groups, liaison meetings, port visits, and electronic newsletters to concession holders in Commonwealth fisheries. AFMA consults with the public on the development of, and amendments to, fishery management plans, including using contemporary digital, web and social media communication channels.

In managing Commonwealth fisheries, AFMA applies the Australian Government's cost recovery policy through its Cost Recovery Implementation Statement (CRIS). The commercial fishing industry pays for activities directly attributed to and recoverable from the fishing industry while the Government pays for compliance and enforcement activities that benefit the broader community.

To fulfil its functions, AFMA commissions and places a high importance on scientific and economic research and risk assessments to inform its decision-making.

AFMA's goals and strategies are aimed at continuing to deliver ecologically sustainable and economically efficient Commonwealth fisheries over the current and forecast period. Reflecting recent increased government requirements for expanded AFMA engagement with commercial, recreational and Indigenous stakeholders, we have revised our objective:

To maximise net economic returns to the Australian community through the ecologically sustainable development of Commonwealth fisheries resources.

To better reflect our emphasis on ecologically sustainable development (ESD), AFMA has increased the number of corporate goals under our Corporate Plan from three to four. This provides for closer alignment of AFMA's work with all elements of ESD beyond our past focus largely on the marine environment. As a result we will be increasing our consideration of the economic benefits for recreational and Indigenous stakeholders, as well as commercial fishers, and increasing the impact of AFMA's domestic and international compliance work. AFMA will adopt the strategies in the 2018-21 AFMA Corporate Plan to pursue the following corporate goals:

- Corporate Goal 1 – manage Commonwealth fisheries resources consistent with the principles of ecologically sustainable development
- Corporate Goal 2 – maximise the net economic returns to the Australian community from the management of Commonwealth fisheries
- Corporate Goal 3 – ensure compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards
- Corporate Goal 4 – deliver effective, cost efficient and accountable management of Commonwealth fisheries resources.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

**Table 1.1: Australian Fisheries Management Authority – Resource Statement – Budget Estimates for 2018–19 as at May 2018**

	2017–18 Estimated actual \$'000	2018–19 Estimate \$'000
<b>Departmental</b>		
Prior year appropriations available <sup>(a)</sup>	14,036	13,654
<b>Annual appropriations – ordinary annual services<sup>(b)</sup></b>		
Outcome 1	20,514	20,517
s. 74 retained revenue receipts <sup>(c)</sup>	2,733	2,851
<i>Total departmental annual appropriations</i>	<b>23,247</b>	<b>23,368</b>
<b>Special accounts<sup>(d)</sup></b>		
Appropriation receipts <sup>(e)</sup>	21,068	20,581
Non-appropriation receipts	14,238	14,300
<b>Total special account receipts</b>	<b>35,306</b>	<b>34,881</b>
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	(21,068)	(20,581)
<b>Total departmental resourcing</b>	<b>51,521</b>	<b>51,322</b>
<b>Administered</b>		
<b>Annual appropriations – ordinary annual services<sup>(b)</sup></b>		
Outcome 1	5,424	5,506
<i>Total administered annual appropriations</i>	<b>5,424</b>	<b>5,506</b>
<b>Total administered resourcing</b>	<b>5,424</b>	<b>5,506</b>
<b>Total resourcing for AFMA</b>	<b>56,945</b>	<b>56,828</b>
	<b>2017–18</b>	<b>2018–19</b>
<b>Average staffing level (number)</b>	177	177

(a) These amounts reflects opening special account balances only.

(b) Appropriation Bill (No. 1) 2018–19.

(c) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act)

(d) For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 – Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(e) Amounts credited to the special account(s) from entity AFMA's annual appropriations.

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

### **1.3 BUDGET MEASURES**

Budget measures in Part 1 relating to the Australian Fisheries Management Authority are detailed in *Budget Paper No. 2: Budget Measures 2018–19* and are summarised below.

#### **Table 1.2: Australian Fisheries Management Authority 2018–19 Budget measures**

##### **Part 1: Measures announced since the 2017–18 Mid-Year Economic and Fiscal Outlook (MYEFO)**

AFMA does not have any 2018–19 Budget measures.

##### **Part 2: Other measures not previously reported in a portfolio statement**

AFMA does not have any other measures not previously reported in a portfolio statement.

## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the PGPA Act. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plan for the Australian Fisheries Management Authority can be found at: <http://www.afma.gov.au/about/corporate-publications/>.

The most recent annual performance statement can be found at: <http://www.afma.gov.au/wp-content/uploads/2017/11/9683RRR-AFMA-Annual-Report-2016-17-Tagged-update.pdf>.



## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**Outcome 1: Ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia’s marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.**

### Linked programs

<b>Department of Agriculture and Water Resources</b>
<p><b>Programs:</b></p> <ul style="list-style-type: none"> <li>• Program 1.4: Fishing Industry</li> <li>• Program 2.1: Biosecurity and Export Services</li> </ul>
<p><b>Contribution to Outcome 1 made by linked program:</b></p> <p>The Australian Fisheries Management Authority and Department of the Agriculture and Water Resources engage on fisheries management to ensure sustainable, productive and profitable fishery industry.</p>
<b>Department of the Environment and Energy</b>
<p><b>Program:</b></p> <ul style="list-style-type: none"> <li>• Program 1.4: Conservation of Australia’s Heritage and the Environment</li> </ul>
<p><b>Contribution to Outcome 1 made by linked program:</b></p> <p>The Australian Fisheries Management Authority and Department of the Environment and Energy engage on fisheries management to ensure sustainable, productive and profitable fishery industry.</p>
<b>Department of Home Affairs</b>
<p><b>Program:</b></p> <ul style="list-style-type: none"> <li>• Program 1.1: Border Enforcement</li> </ul>
<p><b>Contribution to Outcome 1 made by linked program:</b></p> <p>The Australian Fisheries Management Authority provides the fisheries focus within the Australian Government Civil Maritime Surveillance and Response Program and is responsible for the administration of legislation on illegal fishing in the Australian Fishing Zone. AFMA deters and prevents illegal foreign fishing by carrying out prosecution of offenders, confiscation of boats, capacity building projects and cooperative enforcement operations.</p>

**Table 2.1.1: Budgeted expenses for Outcome 1**

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

<b>Outcome 1: Ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia's marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.</b>					
	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>Program 1.1: Australian Fisheries Management Authority</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))					
Illegal Foreign Fishing Vessel Caretaking and Disposal	5,424	5,506	5,594	5,689	5,838
Departmental expenses					
Departmental appropriation <sup>(a)</sup>	22,827	24,825	22,570	22,807	23,491
Special account					
AFMA Special account	14,238	14,300	14,729	15,626	17,074
Expenses not requiring appropriation in the Budget year <sup>(b)</sup>	1,808	1,599	1,573	1,711	1,511
<b>Total expenses for program 1.1</b>	<b>44,297</b>	<b>46,230</b>	<b>44,466</b>	<b>45,833</b>	<b>47,914</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	5,424	5,506	5,594	5,689	5,838
Departmental expenses					
Departmental appropriation <sup>(a)</sup>	22,827	24,825	22,570	22,807	23,491
Special account	14,238	14,300	14,729	15,626	17,074
Expenses not requiring appropriation in the Budget year <sup>(b)</sup>	1,808	1,599	1,573	1,711	1,511
<b>Total expenses for Outcome 1</b>	<b>44,297</b>	<b>46,230</b>	<b>44,466</b>	<b>45,833</b>	<b>47,914</b>
	<b>2017–18</b>	<b>2018–19</b>			
<b>Average staffing level (number)</b>	177	177			

(a) Expenses funded from both 'ordinary annual services' (Appropriation Bill No. 1 2018–19) and 'revenue from independent sources' (section 74 of the PGPA Act).

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

### 2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2018–19 Budget measures have created new programs or materially changed existing programs.

<b>Outcome 1 – Ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia’s marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.</b>	
<b>Program 1.1 – Australian Fisheries Management Authority</b>	
<b>Objective</b>	To maximise net economic returns to the Australian community through the ecologically sustainable development of Commonwealth fisheries resources.
<b>Delivery</b>	<p><b>AFMA manages Commonwealth fisheries resources consistent with principles of ecological sustainable development by:</b></p> <ul style="list-style-type: none"> <li>• Developing management arrangements that: : <ul style="list-style-type: none"> <li>○ Support the implementation of Commonwealth fisheries policies including the Harvest Strategy and Bycatch;</li> <li>○ Implement AFMA’s revised Ecological Risk Management Framework;</li> <li>○ Recover overfished stocks and prevent overfishing; and</li> <li>○ Ensure commercial, recreational and Indigenous fishing information is used in decision making.</li> </ul> </li> <li>• Investing in and applying scientific and economic research to decision making on fish stocks, sub-stocks, species (target and non-target species) and the impact of fishing on the marine environment.</li> </ul> <p><b>AFMA maximises the net economic returns to the Australian community from the management of Commonwealth fisheries by:</b></p> <ul style="list-style-type: none"> <li>• Reviewing management arrangements to take into account commercial, recreational and Indigenous fishing interests when maximising net economic returns from the commercial sector.</li> <li>• Increasing catch levels within sustainable total allowable catches (TACs) by conducting and considering implementation of research focussed on under caught TACs.</li> <li>• Managing exploratory fisheries (potentially underutilised fisheries).</li> <li>• Understanding impacts of resource allocation between commercial, recreational and Indigenous fishers.</li> </ul>

Continued on following pages

**Contributions to Outcome 1 (continued)**

<b>Program 1.1 – Australian Fisheries Management Authority (continued)</b>	
<b>Delivery (continued)</b>	<p><b>AFMA ensures compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards by:</b></p> <ul style="list-style-type: none"> <li>• Operating an effective compliance and enforcement regime encompassing:               <ul style="list-style-type: none"> <li>○ Risk-based, intelligence driven, and targeted domestic operations; and</li> <li>○ Engaging with regional fisheries management organisations and arrangements.</li> </ul> </li> <li>• Operating effective foreign fisheries compliance enforcement and capacity building by:               <ul style="list-style-type: none"> <li>○ Implementing strategies to deter and eliminate illegal, unregulated and unreported foreign fishing in Australian waters and on the high seas where Australia has an interest; and</li> <li>○ Participating in capacity building programs with neighbouring countries and supporting key regional and international fishing bodies.</li> </ul> </li> </ul> <p><b>AFMA delivers effective, cost efficient and accountable management of Commonwealth fisheries resources by:</b></p> <ul style="list-style-type: none"> <li>• Pursuing ministerial directives and government initiatives to improve regulation and administration generally in the Australian Government sector including:               <ul style="list-style-type: none"> <li>○ Exploring opportunities to streamline fisheries assessment and management processes; and</li> <li>○ Implementing new fisheries policies for harvest strategies and bycatch to improve fishery management performance.</li> </ul> </li> <li>• Reviewing business processes and systems, information flows and financial management arrangements through:               <ul style="list-style-type: none"> <li>○ Assessing and mitigating high financial and operating risks;</li> <li>○ Developing an e-business plan that considers cost effective and efficient use of electronic systems for logbooks, monitoring and licensing.</li> </ul> </li> <li>• Increasing AFMA accountability and stakeholder engagement through:               <ul style="list-style-type: none"> <li>○ Expanded membership management advisory committees (MACs) and resource assessment groups (RAGs); and</li> <li>○ Capability development for recreational and Indigenous members.</li> </ul> </li> </ul>

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**Contributions to Outcome 1 (continued)**

Performance information		
Year	Performance criteria <sup>(a)</sup>	Targets
2017–18	1. For economically significant stocks: <sup>(b)</sup>	
	a. Maximise the number of key commercial stocks with harvest strategy targets based on maximum economic yield (MEY) or the best available proxy. <sup>(c),(d)</sup>	15
	b. Improve the number of stocks in (a) assessed as being on target. <sup>(d)</sup>	4
	c. For those stocks in (a) assessed as not on target, improve the number that are heading towards their target reference point. <sup>(e)</sup>	6
	2. Number of fish stocks subject to overfishing. <sup>(e)</sup>	0
	3. Number of species assessed as remaining at high risk after mitigation. <sup>(f)</sup>	50
	4. The number of stocks that are assessed as overfished and will require effective management to return the stock to sustainability.	7
	5. Percentage of treatment targets for all priority domestic compliance risks met.	90 per cent. <sup>(g)</sup>
	6. Percentage of apprehended foreign illegal, unregulated and unreported (IUU) vessels and suspected irregular entry vessels (SIEVs) disposed of.	100 per cent.
7. Number of completed endorsed red tape reduction initiatives.	10	

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**Contributions to Outcome 1 (continued)**

<b>Performance information (continued)</b>		
<b>Year</b>	<b>Performance criteria<sup>(a)</sup></b>	<b>Targets</b>
2018–19	1. <i>Complete an Ecological Risk Assessment (ERA) and Fisheries Management Strategy (FMS) for each fishery every five years. (number of fisheries).</i>	5
	2. <i>The number of high risk rated species from ERAs declines.</i>	88
	3. <i>Fisheries reporting on general bycatch quantity<sup>(h)</sup> each year. (number of fisheries).</i>	5
	4. <i>Fisheries reporting decreasing volume of general bycatch each year. (number of fisheries).</i>	3
	5. <i>Interaction rates with Threatened Endangered and Protected species (TEPs) decreasing each year (number of fisheries).</i>	3
	6. For economically significant stocks: <sup>(b)</sup>	
	a. maximise the number of key commercial stocks with harvest strategy targets based on MEY or the best available proxy.	At least 15.
b. improve the number of stocks in (a) assessed as being on target. <sup>(d)</sup>	4	

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**Contributions to Outcome 1 (continued)**

<b>Performance information (continued)</b>		
<b>Year</b>	<b>Performance criteria<sup>(a)</sup></b>	<b>Targets</b>
2018–19 (continued)	c. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point. <sup>(e)</sup>	6
	7. <i>Major fisheries have harvest strategies that meet the Harvest Strategy Policy 2018 (HSP2018) within three years (number of fisheries).</i>	0
	8. <i>Other fisheries have harvest strategies that meet the HSP2018 within four years (number of fisheries).</i>	0
	9. Percentage of treatment targets for all priority domestic compliance risks met.	90 per cent. <sup>(g)</sup>
	10. Percentage of apprehended foreign IUU vessels and SIEVs delivered to AFMA disposed of.	100 per cent.
	11. <i>Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the Consumer Price Index (CPI) each year.</i>	<\$18.8 million.

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**Contributions to Outcome 1 (continued)**

<b>Performance information (continued)</b>		
<b>Year</b>	<b>Performance criteria<sup>(a)</sup></b>	<b>Targets</b>
2019–20 and beyond	1. <i>Complete an ERA and FMS for each fishery every five years (number of fisheries).</i>	(all forward years) 5.
	2. <i>The number of high risk rated species from ERAs declines.</i>	(2019–20) 80 (2020–21) 70 (2021–22) 60
	3. Fisheries reporting on general bycatch quantity <sup>(h)</sup> each year (number of fisheries).	(2019–20) 8 (2020–21) 11 (2021–22) 15
	4. <i>Fisheries reporting decreasing volume of general bycatch each year (number of fisheries).</i>	(2019–20) 6 (2020–21) 10 (2021–22) 15
	5. <i>Interactions with TEPs decreasing each year (number of fisheries).</i>	(2019–20) 5 (2020–21) 8 (2021–22) 10
	6. For economically significant stocks: <sup>(b)</sup>	
	a. maximise the number of key commercial stocks with harvest strategy targets based on MEY or the best available proxy. <sup>(c),(d)</sup>	(all forward years) At least 15.
	b. improve the number of stocks in (a) assessed as being on target. <sup>(d)</sup>	(all forward years) 4.
	c. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point. <sup>(e)</sup>	(all forward years) 6.

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**Contributions to Outcome 1 (continued)**

<b>Performance information (continued)</b>		
<b>Year</b>	<b>Performance criteria<sup>(a)</sup></b>	<b>Targets</b>
2019–20 and beyond (continued)	7. <i>Major fisheries have harvest strategies that meet the HSP2018 within three years (number of fisheries).</i>	(2019–20) 6 (2020–21) 8 (2021–22) 10
	8. <i>Other fisheries have harvest strategies that meet the HSP2018 within four years (number of fisheries).</i>	(2019–20) 2 (2020–21) 4 (2021–22) 6
	9. Percentage of treatment targets for all priority domestic compliance risks met.	(all forward years) 90 per cent. <sup>(9)</sup>
	10. Percentage of apprehended foreign IUU vessels and SIEVs delivered to AFMA disposed of.	(all forward years) 100 per cent.
	11. <i>Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the CPI each year.</i>	(2019–20) <\$19.3 million (2020–21) <\$19.7 million (2021–22) <\$20.2 million

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**Contributions to Outcome 1 (continued)**

<b>Performance information (continued)</b>	
<b>Purposes<sup>(i)</sup></b>	<p>AFMA is responsible for:</p> <ul style="list-style-type: none"> <li>• Managing Commonwealth fisheries resources consistent with principles of ecological sustainable development;</li> <li>• Maximising net economic returns to the Australian community from the management of Commonwealth fisheries;</li> <li>• Promoting compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards;</li> <li>• Delivering effective, cost efficient and accountable management of Commonwealth fisheries resources; and</li> <li>• Considering the economic benefits for recreational and Indigenous stakeholders as well as commercial fishers.</li> </ul>

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in italics.
- (b) Please note that not all Commonwealth fish stocks can be managed by MEY, for example, those managed under international regional bodies.
- (c) Where higher and lower value species are caught together, different targets for the lower value species may maximise net economic returns overall.
- (d) Assessment methodologies are being reviewed, projections may vary.
- (e) In AFMA managed fisheries, not including jointly and internationally managed fisheries.
- (f) Ecological Risk Assessments for Commonwealth managed fisheries and sub-fisheries have been completed. Species considered to be potentially at high risk are the subject of mitigation measures and further assessment. This may mean that projections of numbers of high risk species may vary from year to year. In addition, AFMA is currently applying a revised environmental risk assessment methodology which may lead to changes in reported values in future.
- (g) Some targets do not set a 100 per cent level of achievement. This reflects the operational environment for AFMA in managing a wide range of commercial, recreational and Indigenous stakeholders and their impacts on Commonwealth marine resources.
- (h) Bycatch other than TEPs.
- (i) Refers to updated purposes that will be reflected in the 2018–19 Corporate Plan.

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2018–19 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

The financial statements are prepared on an accrual basis where revenues and expenses are recognised as and when the resources are received and used. The entity resourcing table recognises cash resources available to be used during the period and includes amounts recognised as revenue in previous periods.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

AFMA is budgeting for an operating loss in 2018–19 to cover the anticipated costs associated with the fitout of the Canberra office but expects to maintain a balanced Budget position over the remaining forward years.

AFMA collects levies via regulations under the *Fishing Levy Act 1991*, in accordance with the *Fisheries Management Act 1991*, *Fisheries Administration Act 1991*, Australian Government cost recovery policy and AFMA's Cost Recovery Implementation Statement.

Administered income reflects the fines imposed by AFMA for domestic and international illegal fishing activities and the receipt of administered revenue for expenditure incurred.

Administered expenditure reflects payments to the providers of illegal foreign fishing vessel caretaking and disposal services.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1 Comprehensive income statement (showing net cost of services) (for the period ended 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	20,863	21,383	21,593	22,018	22,671
Supplier expenses	16,202	17,742	15,706	16,415	17,894
Depreciation and amortisation	1,808	1,599	1,573	1,711	1,511
<b>Total expenses</b>	<b>38,873</b>	<b>40,724</b>	<b>38,872</b>	<b>40,144</b>	<b>42,076</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sale of goods and rendering of services	2,008	2,423	2,471	2,571	2,728
Rental income	725	428	144	144	144
Levies and licence fees provided via crediting right to special account	14,238	14,300	14,729	15,626	17,074
<b>Total own-source revenue</b>	<b>16,971</b>	<b>17,151</b>	<b>17,344</b>	<b>18,341</b>	<b>19,946</b>
<b>Gains</b>					
Other	45	45	45	45	45
<b>Total gains</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>	<b>45</b>
<b>Total own-source income</b>	<b>17,016</b>	<b>17,196</b>	<b>17,389</b>	<b>18,386</b>	<b>19,991</b>
<b>Net cost of (contribution by) services</b>	<b>21,857</b>	<b>23,528</b>	<b>21,483</b>	<b>21,758</b>	<b>22,085</b>
Revenue from Government	20,049	19,908	19,910	20,047	20,574
<b>Surplus (deficit) attributable to the Australian Government</b>	<b>(1,808)</b>	<b>(3,620)</b>	<b>(1,573)</b>	<b>(1,711)</b>	<b>(1,511)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Total comprehensive income (loss)</b>	<b>(1,808)</b>	<b>(3,620)</b>	<b>(1,573)</b>	<b>(1,711)</b>	<b>(1,511)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>	<b>(1,808)</b>	<b>(3,620)</b>	<b>(1,573)</b>	<b>(1,711)</b>	<b>(1,511)</b>
<b>Note: Impact of net cash appropriation arrangements</b>					
	2017–18 \$'000	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000
<b>Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.</b>	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations <sup>(a)</sup>	1,808	1,599	1,573	1,711	1,511
<b>Total comprehensive income (loss) – as per the statement of comprehensive income</b>	<b>(1,808)</b>	<b>(1,599)</b>	<b>(1,573)</b>	<b>(1,711)</b>	<b>(1,511)</b>

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	418	-	-	-	-
Trade and other receivables	14,592	8,779	8,397	8,397	8,397
<b>Total financial assets</b>	<b>15,010</b>	<b>8,779</b>	<b>8,397</b>	<b>8,397</b>	<b>8,397</b>
<b>Non-financial assets</b>					
Land and buildings	1,808	3,904	3,308	2,722	2,136
Property, plant and equipment	748	2,025	1,888	1,679	1,481
Intangibles	334	169	166	90	215
Other	698	698	698	698	698
<b>Total non-financial assets</b>	<b>3,588</b>	<b>6,796</b>	<b>6,060</b>	<b>5,189</b>	<b>4,530</b>
<b>Total assets</b>	<b>18,598</b>	<b>15,575</b>	<b>14,457</b>	<b>13,586</b>	<b>12,927</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2,302	2,302	2,302	2,684	3,066
Accrued expenses	1,080	1,080	1,080	1,080	1,080
<b>Total payables</b>	<b>3,382</b>	<b>3,382</b>	<b>3,382</b>	<b>3,764</b>	<b>4,146</b>
<b>Provisions</b>					
Employee provisions	5,325	5,325	5,325	5,325	5,325
<b>Total provisions</b>	<b>5,325</b>	<b>5,325</b>	<b>5,325</b>	<b>5,325</b>	<b>5,325</b>
<b>Total liabilities</b>	<b>8,707</b>	<b>8,707</b>	<b>8,707</b>	<b>9,089</b>	<b>9,471</b>
<b>Net assets</b>	<b>9,891</b>	<b>6,868</b>	<b>5,750</b>	<b>4,497</b>	<b>3,456</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	12,365	12,962	13,417	13,875	14,345
Reserves	4,221	4,221	4,221	4,221	4,221
Retained surplus (accumulated deficit)	(6,695)	(10,315)	(11,888)	(13,599)	(15,110)
<b>Total Equity</b>	<b>9,891</b>	<b>6,868</b>	<b>5,750</b>	<b>4,497</b>	<b>3,456</b>

\*'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2018–19)**

	Retained earnings	Revaluation Asset Reserve	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Opening balance as at 1 July 2018</b>				
Balance carried forward from previous period	(6,695)	4,221	12,365	9,891
<b>Adjusted opening balance</b>	<b>(6,695)</b>	<b>4,221</b>	<b>12,365</b>	<b>9,891</b>
<b>Comprehensive income</b>				
Surplus (deficit) for the period	(3,620)	-	-	(3,620)
<b>Total comprehensive income</b>	<b>(3,620)</b>	<b>-</b>	<b>-</b>	<b>(3,620)</b>
of which:				
Attributable to the Australian Government	(3,620)	-	-	(3,620)
<b>Transactions with owners</b>				
<b>Contributions by owners</b>				
Departmental Capital Budget (DCBs)	-	-	597	597
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>597</b>	<b>597</b>
<b>Estimated closing balance as at 30 June 2019</b>	<b>(10,315)</b>	<b>4,221</b>	<b>12,962</b>	<b>6,868</b>
<b>Closing balance attributable to the Australian Government</b>	<b>(10,315)</b>	<b>4,221</b>	<b>12,962</b>	<b>6,868</b>

Prepared on Australian Accounting Standards basis.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sale of goods and rendering of services	2,733	2,851	2,615	2,715	2,872
Appropriations	20,431	25,721	20,292	20,047	20,574
Other	14,238	14,300	14,729	15,626	17,074
<b>Total cash received</b>	<b>37,402</b>	<b>42,872</b>	<b>37,636</b>	<b>38,388</b>	<b>40,520</b>
<b>Cash used</b>					
Employees	20,863	21,383	21,593	22,018	22,671
Suppliers	16,157	17,697	15,661	15,988	17,467
<b>Total cash used</b>	<b>37,020</b>	<b>39,080</b>	<b>37,254</b>	<b>38,006</b>	<b>40,138</b>
<b>Net cash from (used by) operating activities</b>	<b>382</b>	<b>3,792</b>	<b>382</b>	<b>382</b>	<b>382</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant, equipment and intangibles	1,012	4,807	837	840	852
<b>Total cash used</b>	<b>1,012</b>	<b>4,807</b>	<b>837</b>	<b>840</b>	<b>852</b>
<b>Net cash from (used by) investing activities</b>	<b>(1,012)</b>	<b>(4,807)</b>	<b>(837)</b>	<b>(840)</b>	<b>(852)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity	630	597	455	458	470
<b>Total cash received</b>	<b>630</b>	<b>597</b>	<b>455</b>	<b>458</b>	<b>470</b>
<b>Net cash from (used by) financing activities</b>	<b>630</b>	<b>597</b>	<b>455</b>	<b>458</b>	<b>470</b>
<b>Net increase (decrease) in cash held</b>	<b>-</b>	<b>(418)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	418	418	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Capital budget – Bill 1 (DCB)	630	597	455	458	470
<b>Total capital appropriations represented by:</b>	<b>630</b>	<b>597</b>	<b>455</b>	<b>458</b>	<b>470</b>
<b>Total new capital appropriations represented by:</b>					
Purchase of non-financial assets	630	597	455	458	470
<b>Total items</b>	<b>630</b>	<b>597</b>	<b>455</b>	<b>458</b>	<b>470</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations <sup>(a)</sup>	172	143	-	-	-
Funded by capital appropriation – DCB <sup>(b)</sup>	382	4,210	382	382	382
Funded internally from departmental resources <sup>(c)</sup>	458	454	455	458	470
<b>TOTAL</b>	<b>1,012</b>	<b>4,807</b>	<b>837</b>	<b>840</b>	<b>852</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	1,012	4,807	837	840	852
<b>Total cash used to acquire assets</b>	<b>1,012</b>	<b>4,807</b>	<b>837</b>	<b>840</b>	<b>852</b>

(a) Includes current Appropriation Act No. 2 appropriations.

(b) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes the following sources of funding:

- annual and prior year appropriations;
- internally developed assets;
- section 74 Retained revenue receipts;
- proceeds from the sale of assets; and
- the AFMA Special Account under section 94B of the FAA.

Prepared on Australian Accounting Standards basis.

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.



**Table 3.6: Statement of asset movements (Budget year 2018–19)**

	Land	Buildings	Other property, plant and equipment	Intangibles	L&B IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2018</b>						
Gross book value	975	1,735	1,298	6,548	2	10,558
Accumulated depreciation/amortisation and impairment	-	(902)	(550)	(6,214)	(2)	(7,668)
<b>Opening net book balance</b>	<b>975</b>	<b>833</b>	<b>748</b>	<b>334</b>	<b>-</b>	<b>2,890</b>
<b>CAPITAL ASSET ADDITIONS</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase – appropriation ordinary annual services <sup>(a)</sup>	-	2,780	1,577	450	-	4,807
<b>Total additions</b>	<b>-</b>	<b>2,780</b>	<b>1,577</b>	<b>450</b>	<b>-</b>	<b>4,807</b>
<b>Other movements</b>						
Depreciation/amortisation expense	-	(684)	(300)	(615)	-	(1,599)
<b>Total other movements</b>	<b>-</b>	<b>(684)</b>	<b>(300)</b>	<b>(615)</b>	<b>-</b>	<b>(1,599)</b>
<b>As at 30 June 2019</b>						
Gross book value	975	4,515	2,875	6,998	2	15,365
Accumulated depreciation/amortisation and impairment	-	(1,586)	(850)	(6,829)	(2)	(9,267)
<b>Closing net book balance</b>	<b>975</b>	<b>2,929</b>	<b>2,025</b>	<b>169</b>	<b>-</b>	<b>6,098</b>

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2018–19 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>EXPENSES</b>					
Supplier	5,424	5,506	5,594	5,689	5,838
<b>Total expenses administered on behalf of Government</b>	<b>5,424</b>	<b>5,506</b>	<b>5,594</b>	<b>5,689</b>	<b>5,838</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
Own-source revenue					
<b>Total own-source revenue administered on behalf of Government</b>	-	-	-	-	-
<b>Total own-source income administered on behalf of Government</b>	-	-	-	-	-
<b>Net Cost of (contribution by) services</b>	<b>5,424</b>	<b>5,506</b>	<b>5,594</b>	<b>5,689</b>	<b>5,838</b>
<b>Surplus (Deficit)</b>	<b>(5,424)</b>	<b>(5,506)</b>	<b>(5,594)</b>	<b>(5,689)</b>	<b>(5,838)</b>
<b>Total comprehensive income (loss)</b>	<b>(5,424)</b>	<b>(5,506)</b>	<b>(5,594)</b>	<b>(5,689)</b>	<b>(5,838)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Receivables	404	1,190	1,976	1,976	1,976
<b>Total financial assets</b>	<b>404</b>	<b>1,190</b>	<b>1,976</b>	<b>1,976</b>	<b>1,976</b>
<b>Total assets administered on behalf of Government</b>	<b>404</b>	<b>1,190</b>	<b>1,976</b>	<b>1,976</b>	<b>1,976</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	168	168	168	168	168
<b>Total payables</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>168</b>
<b>Total liabilities administered on behalf of Government</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>168</b>
<b>Net assets/(liabilities)</b>	<b>236</b>	<b>1,022</b>	<b>1,808</b>	<b>1,808</b>	<b>1,808</b>

Prepared on Australian Accounting Standards basis.

**Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)**

	2017–18 Estimated actual \$'000	2018–19 Budget \$'000	2019–20 Forward estimate \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash used</b>					
Suppliers	5,424	5,506	5,594	5,689	5,838
<b>Total cash used</b>	<b>5,424</b>	<b>5,506</b>	<b>5,594</b>	<b>5,689</b>	<b>5,838</b>
<b>Net cash from (used by) operating activities</b>	<b>(5,424)</b>	<b>(5,506)</b>	<b>(5,594)</b>	<b>(5,689)</b>	<b>(5,838)</b>
<b>Net increase (decrease) in cash held</b>	<b>(5,424)</b>	<b>(5,506)</b>	<b>(5,594)</b>	<b>(5,689)</b>	<b>(5,838)</b>
Cash from Official Public Account for:					
– Appropriations	5,424	5,506	5,594	5,689	5,838
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.10: Statement of administered asset movements (Budget year 2018–19)**

The schedule of administered asset movements on behalf of Government is nil.